

Dear Policyholder,

The Louisiana Department of Insurance has established a mediation program to help resolve claims disputes between insurers and Louisiana policyholders arising from damages to residential property caused by Hurricanes Katrina and Rita.

Insurance companies are required to notify policyholders with claims disputes about the program regardless of whether a check has been issued.

Mediation is paid for by the insurance company and is **FREE** to the policyholder.

This brochure will help you understand what to expect from the mediation program. If you have questions or need additional information, you can contact the **American Arbitration Association** at **1-800-426-8792** or call your insurance company or agent.

Sincerely,

James J. Donelon
Commissioner of Insurance
State of Louisiana



Louisiana Department of Insurance



Hurricane Mediation Program

James J. Donelon, Commissioner

The Louisiana Department of Insurance stands ready to assist policyholders who are having difficulty getting insurance claims resolved.

To help facilitate a satisfactory settlement, the Department has established a mediation program to bring policyholders and their insurance companies together to find common ground.

What is mediation?

Mediation is a process through which a neutral third party meets with opposing sides in an effort to resolve a dispute.

Mediation is not arbitration, where the arbitrator makes the decision on how to resolve the dispute. Instead, the mediator **recommends** a solution after helping the parties focus on the issues and understand each other's point of view.

Under this program, the mediator will choose a non-threatening atmosphere for the conference, which could include meeting privately with you or your insurance company. The most important thing to remember about participating in mediation is that you have a chance to explain what you believe you are entitled to under your insurance claim.

Who are the mediators?

Our mediators are trained professionals who are skilled in resolving disputes. All have been specifically trained in mediation theory and practice.

Our mediators are unbiased - they must have no ties or affiliation with you or the insurance company.

Either party can request that the mediator be replaced if there is good cause - for instance, if there is a conflict of interest.

What are the limits?

Mediation is non-binding. Neither you nor the company is legally obligated to accept the outcome. Even if you do settle at the mediation, you have a three-day grace period to change your mind, as long as you do not cash your settlement check and you inform your insurance company that you have decided to reject the mediated outcome.

Choosing mediation does not prevent you from participating in other dispute resolution procedures, or even going to court later. Nothing you say in a mediation conference can be used against you in any later proceedings.

Am I eligible?

Anyone with a disputed residential property damage claim - arising from damage caused by Hurricanes Katrina or Rita - in excess of \$500, not including the deductible, can participate in mediation. Disputed claims are exempt from mediation when fraud is suspected. Commercial and liability claims are also exempt from mediation.

Note: The Louisiana hurricane mediation program does not apply to motor vehicle, commercial property or National Flood Insurance Program insurance policies.

How do I get started?

Your insurance company is required to notify you in writing of your right to mediation. If you wish to request mediation, contact AAA at **1-800-426-8792** or **contact your insurance company or agent.**

Once mediation has been agreed to, the mediator will notify you and the company of the date, time and place of the conference. Mediation will be held at a neutral site.

Who can attend?

If you are relying on architects, adjusters or contractors to justify your claim, you may ask them to attend. Review your policy carefully and look for names of those listed as 'named insureds.' If the people listed there cannot attend, send someone who has the authority (often called 'power of attorney') and can make a decision about settling a claim to act on behalf of the 'named insured.' Since mediation is designed to be non-adversarial, it is not necessary to have a lawyer present. However, you may choose to have one attend.

Be sure to bring any supporting documents, including your policy, photographs, estimates, bills, reports, letters, etc. It is important to have with you specific dollar estimates or quotes for all items that are in dispute.

How much time and money is this going to cost?

Mediation can continue as long as both parties agree that they are making progress. In fact, most mediation procedures only last about two hours.

Mediation is paid for by the insurance company, except in the case where the consumer cancels without good cause and wants to re-schedule the mediation. In that case, the consumer pays.

For more information on the Louisiana Hurricane Mediation Program, visit the American Arbitration Association Web site at www.adr.org or call toll-free 1-800-426-8792.